

# Norwegian Sovereign Guarantees for Renewable Energy Investments

## Call for Proposals

**Closing date:** This call remains open until Norad has committed (or close to being committed) the total amount, or until further notice.

**Responsible unit:** The Department for Climate, Nature and Private Sector

**Updated version:** 18 December 2025

**Please note that this is not a grant scheme. Through this scheme Norad provides financial guarantees—not grants—to facilitate renewable energy investments.**

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## Welcome to the Norwegian Sovereign Guarantee Scheme for Renewable Energy Investments (“the Guarantee Scheme” or “Scheme”)

This call for proposals is open to entities that meet the criteria described below. It is highly recommended to contact Norad’s Guarantee Team for a pre-application discussion before submitting your application.

### About the Guarantee Scheme

The Guarantee Scheme was established by the Norwegian Parliament in 2024 as a five-year pilot initiative starting in 2025 (guarantee tenors will run beyond this period). The Scheme is mandated to issue unfunded sovereign guarantees, backed by Norway’s AAA credit rating and sovereign balance sheet, to support investments in renewable energy projects in low- and middle-income countries (LICs and MICs). The overall objective is to mobilise private capital for renewable energy, furthering increased energy access and delivering on the global energy transition.

The scheme is administered by Norad under a distinct mandate and will not provide grants. To ensure financial sustainability of the Scheme, a risk premium and administrative fees will apply. Under this call, guarantees of up to NOK 1 billion will be made available for issuance.

### Eligible Guarantee Beneficiary

Guarantee beneficiary means both the direct recipient of the guarantee and, where applicable, any other indirect guarantee beneficiary(ies) known at the time of guarantee issuance (collectively referred to as the “Guarantee Beneficiary”). This may include financial institutions (such as banks, funds, guarantee institutions and insurance companies), as well as other entities. The Guarantee Beneficiary may be a local or international entity irrespective of country of origin.

### Who can apply

The Guarantee Beneficiary, or any entity acting on its behalf, may submit an application.

## Eligible projects

The Guarantee Scheme can support portfolios or projects that mobilise private capital to increase investments in renewable energy in low- and middle-income countries.

The detailed requirements and evaluation criteria are set out in the following sections.

## 1. Main Terms and Features

### Available Guarantee Amount and Tickets Sizes

- The total amount available for issuance under this call is up to NOK 1 billion, out of a total guarantee frame for private sector of NOK 1,750 billion.
- The preferred minimum guarantee amount is NOK 200 million, though smaller guarantee amounts may be considered.<sup>1</sup>

### Eligible Projects - Renewable Energy

- We apply a broad interpretation of renewable energy projects. Eligible projects include energy from non-fossil fuel sources such as hydrogen, geothermal, solar, wind, bio-fuels (under strict sustainability conditions), tidal and wave energy.
- This includes but is not limited to grid-based power plants, distributed generation solutions, power grids and other energy infrastructure, energy efficiency measures, and efforts towards a more productive use of energy.
- Reference Standard: OECD's definition of renewable energy, with the addition of pumped storage and green hydrogen projects (currently excluded by OECD).
- Each project or portfolio will be assessed individually to determine its eligibility according to this definition.

### Risk Sharing and Risk Coverage

- The Guarantee Scheme may cover up to 50% of the risk exposure under a tranche; the remaining risk must be borne by one or more professional party (Eligible Co-Guarantors).
- The Guarantee Scheme may take a first-loss position in a structure, provided one or more professional partners participate in the same tranche and share the risk, ensuring that Norad's share of first risk never exceeds 50%.
- In exceptional cases, the Guarantee Scheme may consider taking a first-loss position alone (before other risk-takers absorb losses), for a limited amount. We recommend that applicants consult with us before applying for a first-loss structure where Norad stands alone. Our primary recommendation is a risk-sharing model with a co-guarantor.
- **Eligible Co-Guarantors:** May include government, philanthropic, or private entities such as financial institutions or guarantee intermediaries. It is up to the Guarantee Scheme to determine whether a risk-taker is considered a professional party.
  - A letter of intent from the co-guarantor, signed by an authorised representative, must be attached to the application upon submission.
- **Risk Sharing Principle:**
  - **Pro-rata:** Risk will be shared pro rata with co-guarantor(s), with losses allocated according to each party's agreed share. Further, any collateral or security provided for a loan, must be shared according to the established pro-rate allocation.
  - **Pari passu:** The Guarantee Scheme requires to be pari passu with the co-guarantor with respect to the main terms and conditions.

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<sup>1</sup> Please note that any provision of guarantees for smaller transactions will be on exception.

- **Counter-guarantee:** Our preference is to provide a counter-guarantee to the co-guarantor, as the Guarantee Scheme prefers that the co-guarantor manages administrative matters including defaults and ongoing claims under the guarantee, and recovery process.
- **Guarantee Type:** Credit risk is preferred. Credit guarantees may include among others balance sheet guarantees, guarantees for a portfolio, or single projects lender guarantees.

### Pricing

- **Risk premium:** The Guarantee Scheme is required to charge a risk premium that as a minimum reflects the expected loss of the transaction. The risk premium will be determined based on a risk assessment.
- **Administrative cost:**
  - Fees will be charged to cover the administrative costs of managing the Guarantee Scheme.
  - Direct costs, such as legal fees and, where relevant, costs related to extensive external due diligence, may also apply depending on the specific case.
- Other fees may apply depending on the structure with the co-guarantor.
- **Pricing Quote:** The risk assessment will determine the total risk premium and administrative costs. Indicative pricing will be quoted to the applicant once the main elements of the application are clarified, with the aim of avoiding any market distortion.

### Geography

- Eligible projects must benefit low- and middle-income countries eligible for ODA funding. All projects must comply with the OECD/DAC criteria for Official Development Assistance (ODA).
- **Low-Income Country Cap:** Norad cannot allocate more than 30% of the total guarantee frame (NOK 5 billion) to low-income countries, but we aim to fill this quota and will prioritise applicants that help achieve this while fulfilling other requirements.
- Projects that demonstrate a strong potential to reduce energy poverty, particularly in Sub-Saharan Africa, will be given special consideration.

### Currency

- Guarantees can be issued in NOK, USD, or EUR.

### Tenor

- The guarantee tenor may be up to 15 years. Longer tenors may be considered at Norad's discretion.

### Financial Maturity

- We will prioritise applications with financially mature projects. Planned financial close should be 6–12 months from the application date.

### Call Window

- There is no specific deadline for the call. Norad aims to keep the call open until the total announced amount is committed or near commitment or at further notice. The duration of the call remains at Norad's discretion.
- We strongly prefer well-structured and financially mature applications, as outlined above. Applicants are encouraged to take the necessary time to prepare a well-developed proposal rather than submitting an incomplete or premature application.

### **Confidentiality**

- Applications will be treated in accordance with the [Public Administration Act](#) and the [Norwegian Freedom of Information Act](#). Norad has a duty to protect sensitive information related to business and investment activities and will manage all such information with strict confidentiality.

### **Subsidy Requests**

- Based on the pricing quote, applicants may apply for subsidies covering all or part of the administrative costs and risk premium. Such requests must be submitted through a separate [call for proposals](#).

### **Governing law**

- Norwegian law shall apply, with Oslo district court (Oslo tingrett) as court of first instance, have exclusive jurisdiction to settle any dispute arising out of or in connection with the issued guarantee. Arbitration may in exceptional cases be accepted on Norad's discretion.

## **2. Other requirements related to the Guarantee Scheme**

### **Exclusions**

- Investment Exclusion List: Norad follows the UN Security Council and the EDFI Harmonized Exclusion List.

### **Objectives and indicators**

The overarching objective of this guarantee scheme is to support low- and middle-income countries in their efforts to increase energy access and deliver on the energy transition, thereby contributing to poverty alleviation, economic growth, and supporting countries' national development goals.

It is important for the scheme to gain knowledge of the long-term effects. Successful projects should demonstrate a strong commitment to the strategic use of knowledge, set clear achievable aims and a significant contribution to the following objectives and indicators:

#### *A. Objectives*

- Development and poverty alleviation through increased renewable energy access
- Reduction in or avoided greenhouse gas emissions
- Increasing investments in renewable energy
- Supporting national policy agendas towards increased renewable energy

#### *B. Performance indicators*

Performance indicators will be tailored and finalised in each agreement, but are likely to include:

- Mobilised capital from private sector
- Number of people with access to clean energy
- Number of jobs created
- MW renewable energy installed
- Reduction in or avoided CO2 emissions

## **3. The Application Process**

We highly recommend applicants to contact Norad for a pre-application dialogue before submitting the application. This dialogue is conducted as a 30-minute Teams call, where the applicant is invited to give a brief overview of the need for a guarantee and the proposed project. If applicable Norad may also provide guidance and input in order to ensure the application is complete and well-developed.

After the pre-application dialogue, applicants may choose to submit their application and supporting documentation as outlined below. Unsuccessful applicants will be notified as soon as possible.

## 3.1 Pre-application dialogue

In the initial pre-application dialogue, we ask that the applicant provide an introduction to the proposed guarantee transaction, focusing on the following aspects:

- **The Guarantee Beneficiary:** A clear description of the Guarantee Beneficiary and the co-guarantor(s). If there are other investors, guarantors, or entities involved, then please describe their contribution.
- **The portfolio or project:** A brief description of the project or portfolio for which a financial guarantee is requested and its overall financing structure. This should include type, geography, maturity of the project(s) (in relation to “financial close”), the total costs of the project/portfolio, and the project/portfolio’s ability to influence the objective(s) outlined above.
- **The structure:** A short description of the type of guarantee requested, including amount, the structure of the transaction, as well as whether a subsidy is likely to be required.

## 3.2 The Application requirement

### 3.2.1 The Application

The application should clearly explain the overall concept of the proposed guarantee transaction and provide detailed information on the following elements:

#### *A. Formal information about the Applicant and the Guarantee Beneficiary*

If the Applicant and the Guarantee Beneficiary are not the same entity, please provide information for both.

- Legal name
- Organisation/registration number
- Contact details of the Applicant
  - Postal address
  - Visiting address (if applicable)
  - Email address
  - Phone number
  - Website
- Name and contact details of the primary contact person
  - Email address
  - Phone number

Please also provide:

- Name and role of the person submitting the application on behalf of the Applicant. The authorised person must confirm in the application that they are authorised to apply on behalf of the organisation, and that, to the best of their knowledge and judgement, the information provided in the application is correct.
- Chair of the board of the Guarantee Beneficiary: name and email address.

#### *B. Description of the relevant Parties, the Proposal and Structure*

- The beneficiary and co-guarantor(s) as described above in 3.1, in addition to accurate and complete information about the legal status and ownership must be provided.
- The proposal as described above in 3.1.
- The structure as described above in 3.1.
- If there are other investors, guarantors, or entities involved, then please describe their contribution.

The application should also specify and, where relevant, elaborate on how the proposal complies with the main terms and features set out in Sections 1 and 2, including:

- Country/ies where the project or portfolio will be implemented
- Requested guarantee amount
- Currency
- Planned financial close
- Requested guarantee tenor

#### *C. Information on the Guarantee Beneficiary's financial management and auditor*

The Guarantee Beneficiary must provide:

- Information on whether it has an agreement with an external auditor, including:
  - Name of the auditing firm
  - How long the current auditor has been engaged
  - Confirmation that annual accounts have been prepared for the previous financial year. If annual accounts for the previous year cannot be submitted, please explain why.
  - Any reservations expressed in the auditor's reports during the last three years (if applicable).

#### *D. Track record, capacity and compliance*

The Guarantee Beneficiary should:

- Describe any successful past performance in implementing projects/portfolios or investment activities similar to those proposed in the application.
- Where relevant and where it adds value to the application, describe its administrative, technical and financial expertise and capacity to carry out the proposed investment activity.
- Confirm that it complies with all relevant local, national and international laws and regulations, as well as relevant guidelines, including (but not limited to):
  - [UN's guiding principles on business and human rights](#)
  - [OECD's guidelines for multinational enterprises](#)
  - [the IFC performance standards](#)

#### *E. Additionality*

The application must describe the additionality of the proposed investment activity, specifically the extent to which a guarantee from Norad will help mobilise private capital that would not otherwise

have been mobilised.<sup>2</sup>

### 3.2.2 Required attachments

The following documents related to the Guarantee Beneficiary must be submitted together with the application:

- If the Guarantee Beneficiary is not applying on its behalf, a Power of attorney/authorisation from the Guarantee Beneficiary confirming that the Applicant is authorised to apply for a guarantee on behalf of Guarantee Beneficiary.
- Incorporation/registration documents.
- Audited accounts for the last financial year.
- A letter of intent from the co-guarantor, signed by an authorised representative, confirming its envisaged role in the transaction.
- Documentation demonstrating that the Guarantee Beneficiary has systems, policies and routines for risk management and internal control, including:
  - Systems and procedures for the prevention, detection and management of potential corruption and mismanagement.
  - Systems and policies for integrating cross-cutting issues such as human rights, gender equality, climate change, nature and anti-corruption.
- Documentation of a Code of Conduct or similar ethical guidelines. As a minimum, these guidelines must include principles and routines to prevent, detect and address sexual exploitation, abuse and harassment (SEAH). Further information, including additional requirements, is set out in [Norad's guidance for the preparation of ethical guidelines for Norad's grant recipients](#).

### 3.2.3 Submission

The application together with all required documentation listed above shall be submitted in PDF format by email to [guarantees@norad.no](mailto:guarantees@norad.no) clearly stating **"Guarantee Application"** in the subject line. Please note that the application and any required forms must be submitted in English or Norwegian.

## 3.3 The due diligence process

Norfund, or a designated consultant, will contribute to the risk assessments. Both Norad and Norfund (or the consultant) may contact applicants during the application process to request clarifications.

The due diligence process will be initiated in cooperation with the applicant once the application has reached the appropriate stage for review. The costs of the due diligence process will be borne by the applicant. Norad will provide further information about the process at this stage. This process will be divided into two parts:

1. The initial assessment: Norfund (or a designated consultant) will support Norad in a brief assessment that will inform an indicative price of the guarantee premium and a suggested process for due diligence including coverage of costs for external consultants. If indicative terms are acceptable to the applicant, then the process requirements and costs will be formalised through an agreement between Norad and the applicant.

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<sup>2</sup> The guarantee scheme follows the OECD definition, which includes financial, value and development additionality. Please see the following document for further details:  
[https://one.oecd.org/document/DCD/DAC\(2023\)48/FINAL/en/pdf](https://one.oecd.org/document/DCD/DAC(2023)48/FINAL/en/pdf)

2. The due diligence: Due diligence will be undertaken to verify eligibility and to assess the terms for issuing a guarantee. Based on the due diligence and recommendation on guarantee pricing from Norfund (or the consultant), Norad will decide on the terms offered to the applicant and whether to issue a guarantee.

Norfund and/or relevant consultants will conduct a risk assessment based on the information from the application and supporting documents. The risk assessment may require additional information.

## 4. The Assessment of Applications

This section outlines the main criteria the applications will be evaluated against. It is the applicant's responsibility to ensure that they submit information and documentation that fulfils the criteria above and are sufficiently clear and comprehensive to enable the Guarantee Scheme to assess the guarantee request. Failure to do so can result in the application being unsuccessful.

The Guarantee Scheme has the aim of covering a defined risk, which will catalyse investments for renewable energy projects.

Please note that Norad will assess applications according to a portfolio-wide assessment of our guarantees, including geographical spread. This is to ensure that our guarantees adhere to our mandate.

### 4.1 Application review

Norad will assess and prioritise applications according to:

- The alignment of the project/portfolio with the mandate of the guarantee scheme as set out in section 1 Main terms and features.
- The project/portfolio's ability to impact the objectives and indicators outlined in section 2.
- Guarantee type and amount.
- The Guarantee Beneficiary's track record and experience (in terms of having successfully realised projects with impact while being financially sustainable, conducting business in an appropriate manner, etc)
- The progress and commitment in securing one or several co-guarantors.
- The track record and experience of other entities involved in the transaction.
- The maturity of the project – we will prioritise portfolios that are closer to financial close.
- **Additionality. Error! Bookmark not defined.**
- The project's relevance to national climate and energy plans, policies, and priorities.
- Financial sustainability of all partners involved in the investment/transaction.
- The economic and commercial viability of the project/portfolio.
- The risk profile of the project/portfolio.
- The outcome of the risk assessment undertaken by Norfund (or the consultant) and Norad.

### 4.2 Other information

Applications will be assessed in accordance with the process and criteria described above and any project or institution-specific elements deemed relevant. If necessary, Norad will collect internal and external input to assess the applications. We will aim to respond to all applicants as soon as possible. The processing time will depend on the number of applications undergoing due diligence at any given time.



## Contact information

For more information, please visit our [website](#).

Applicants may contact Norad at **guarantees@norad.no**, for an initial conversation or if you have any further questions.

## Disclaimer

- No entity is entitled to a guarantee from this scheme, even if all formal eligibility and selection criteria are met. The award of any guarantee is at the sole discretion of Norad and subject to the availability of funds, assessment of risks, and alignment with the overall objectives and priorities of the scheme.
- Norad reserves the right to modify, suspend, or terminate this call for proposal any time, without prior notice.